

Article - Health - General

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§16–201.3.

(a) (1) In this section the following words have the meanings indicated.

(2) “Community provider” means a community–based agency or program funded by the Behavioral Health Administration or the Medical Care Programs Administration to serve individuals with mental disorders, substance–related disorders, or a combination of these disorders.

(3) “Rate” means the reimbursement rate paid by the Department to a community provider from the State General Fund, Maryland Medical Assistance Program funds, other State or federal funds, or a combination of these funds.

(b) This section does not apply to reimbursement for any service provided by a community provider whose rates are regulated by the Health Services Cost Review Commission.

(c) It is the intent of the General Assembly that a substantial portion of the rate adjustment provided under subsection (d) of this section be used to:

(1) Compensate direct care staff and licensed clinicians employed by community providers; and

(2) Improve the quality of programming provided by community providers.

(d) (1) The Governor’s proposed budget for fiscal year 2019 and fiscal year 2020 shall include a 3.5% rate increase for community providers over the funding provided in the legislative appropriation for the immediately preceding fiscal year for each of the following:

(i) Object 08 Contractual Services in Program M00Q01.10 Medicaid Behavioral Health Provider Reimbursement – Medical Care Programs Administration;

(ii) Object 08 Contractual Services in Program M00L01.02 Community Services – Behavioral Health Administration; and

(iii) Object 08 Contractual Services in Program M00L01.03 Community Services for Medicaid State Fund Recipients – Behavioral Health Administration.

(2) The Governor’s proposed budget for fiscal year 2021 shall include a 4% rate increase for community providers over the funding provided in the legislative appropriation for the immediately preceding fiscal year for each of the following:

(i) Object 08 Contractual Services in Program M00Q01.10 Medicaid Behavioral Health Provider Reimbursement – Medical Care Programs Administration;

(ii) Object 08 Contractual Services in Program M00L01.02 Community Services – Behavioral Health Administration; and

(iii) Object 08 Contractual Services in Program M00L01.03 Community Services for Medicaid State Fund Recipients – Behavioral Health Administration.

(3) The Governor’s proposed budget for fiscal year 2022 shall include a 3.5% rate increase for community providers over the funding provided in the legislative appropriation for the immediately preceding fiscal year for each of the following:

(i) Object 08 Contractual Services in Program M00Q01.10 Medicaid Behavioral Health Provider Reimbursement – Medical Care Programs Administration;

(ii) Object 08 Contractual Services in Program M00L01.02 Community Services – Behavioral Health Administration; and

(iii) Object 08 Contractual Services in Program M00L01.03 Community Services for Medicaid State Fund Recipients – Behavioral Health Administration.

(4) The Governor’s proposed budget for fiscal year 2023 shall include a 3.25% rate increase for community providers over the funding provided in the legislative appropriation for the immediately preceding fiscal year for each of the following:

(i) Object 08 Contractual Services in Program M00Q01.10 Medicaid Behavioral Health Provider Reimbursement – Medical Care Programs Administration;

(ii) Object 08 Contractual Services in Program M00L01.02 Community Services – Behavioral Health Administration; and

(iii) Object 08 Contractual Services in Program M00L01.03 Community Services for Medicaid State Fund Recipients – Behavioral Health Administration.

(5) The Governor’s proposed budget for fiscal year 2024 shall include a 3% rate increase for community providers over the funding provided in the legislative appropriation for the immediately preceding fiscal year for each of the following:

(i) Object 08 Contractual Services in Program M00Q01.10 Medicaid Behavioral Health Provider Reimbursement – Medical Care Programs Administration;

(ii) Object 08 Contractual Services in Program M00L01.02 Community Services – Behavioral Health Administration; and

(iii) Object 08 Contractual Services in Program M00L01.03 Community Services for Medicaid State Fund Recipients – Behavioral Health Administration.

(6) The Governor’s proposed budget for fiscal year 2025 shall include a 4% rate increase for community providers over the funding provided in the legislative appropriation for the immediately preceding fiscal year for each of the following:

(i) Object 08 Contractual Services in Program M00Q01.10 Medicaid Behavioral Health Provider Reimbursement – Medical Care Programs Administration;

(ii) Object 08 Contractual Services in Program M00L01.02 Community Services – Behavioral Health Administration; and

(iii) Object 08 Contractual Services in Program M00L01.03 Community Services for Medicaid State Fund Recipients – Behavioral Health Administration.

(7) The Governor’s proposed budget for fiscal year 2026 shall include a 4% rate increase for community providers over the funding provided in the legislative appropriation for the immediately preceding fiscal year for each of the following:

(i) Object 08 Contractual Services in Program M00Q01.10 Medicaid Behavioral Health Provider Reimbursement – Medical Care Programs Administration;

(ii) Object 08 Contractual Services in Program M00L01.02 Community Services – Behavioral Health Administration; and

(iii) Object 08 Contractual Services in Program M00L01.03 Community Services for Medicaid State Fund Recipients – Behavioral Health Administration.

(8) The Governor’s proposed budget for fiscal year 2019 and each fiscal year thereafter for community providers shall be presented in the same manner, including object and program information, as in the fiscal year 2018 budget.

(e) (1) The Behavioral Health Administration and the Medical Care Programs Administration jointly shall:

(i) Conduct an independent cost-driven, rate-setting study to set community provider rates for community-based behavioral health services that includes a rate analysis and an impact study that considers the actual cost of providing community-based behavioral health services;

(ii) Develop and implement a payment system incorporating the findings of the rate-setting study conducted under item (i) of this paragraph, including projected costs of implementation and recommendations to address any potential shortfall in funding; and

(iii) Consult with stakeholders, including community providers and individuals receiving services, in conducting the rate-setting study and developing the payment system required by this paragraph.

(2) The Administration, on or before September 30, 2019, shall complete the study required under paragraph (1)(i) of this subsection.

(3) The Administration shall adopt regulations to implement the payment system required by paragraph (1) of this subsection.

(f) If services of community providers are provided through managed care organizations, the managed care organizations shall:

(1) Pay the rate in effect during the immediately preceding fiscal year for the first fiscal year the managed care organizations provide the services; and

(2) Adjust the rate for community providers each fiscal year by at least the same amount that otherwise would have been required under subsection (d) of this section.

(g) Increased funding provided under subsection (d) of this section may be used only to increase the rates paid to:

(1) Community providers accredited by a State–approved accrediting body and licensed by the State; and

(2) Health care providers who are acting within the scopes of practice of the health care providers’ licenses or certificates as specified under the Health Occupations Article.

(h) (1) On or before December 1, 2018, the Department shall submit an interim report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly on the delivery system through which community–based behavioral health services should be provided and any preliminary recommendations regarding the payment system required under this section.

(2) On or before December 1, 2019, and on or before December 1 each year thereafter, the Department shall submit a report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly on the impact of the rate adjustments and the payment system required under this section on community providers, including the impact on:

(i) The wages and salaries paid and the benefits provided to direct care staff and licensed clinicians employed by community providers;

(ii) The tenure and turnover of direct care staff and licensed clinicians employed by community providers; and

(iii) The ability of community providers to recruit qualified direct care staff and licensed clinicians.

(3) The Department may require a community provider to submit, in the form and manner required by the Department, information that the Department considers necessary for completion of the report required under paragraph (2) of this subsection.

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